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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte GORDON MICHAEL WIRAM

Appeal 2009-004814
Application 09/777,722
Technology Center 3600

Decided: May 12, 2010

Before HUBERT C. LORIN, ANTON W. FETTING, and BIBHU R.
MOHANTY, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellant seeks our review under 35 U.S.C. § 134 (2002) of the final rejection of claims 1-29 and 31-52 which are all the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

SUMMARY OF THE DECISION

We AFFIRM.

THE INVENTION

The Appellant's claimed invention is directed to a point of sale system that facilitates the completion of a transaction in the field of rental equipment (Spec. 4-7). Claim 1, reproduced below, is representative of the subject matter of appeal.

1. A point of sale system comprising:
 - at least one computer having a computer readable medium with instructions stored thereon to provide
 - a reservation feature having a customer information section and an equipment information section, wherein the customer information section and equipment information section display information pertaining to reservations; and
 - a payment section having a cash section, check section and a credit card section, wherein upon entering credit card information in the credit card section and activating the credit card section, credit authorization is obtained for a charge;
 - wherein said computer is operatively coupled to the internet for communicating to or from one or more retail locations the information pertaining to reservations.

THE REJECTIONS

The Examiner relies upon the following as evidence in support of the rejections:

Francisco US 5,875,433 Feb. 23, 1999

Wiram, G. M., Response to Requirement for Information under 37 C.F.R. 1.105 outlining the U-Haul Reservation system prior to Feb. 5, 2000 and the Budget system.

The following rejections are before us for review:

1. Claims 1-3, 5-20 and 22-29 are rejected under 35 U.S.C. § 103(a) as unpatentable over the U-Haul Reservation System and Francisco.
2. Claims 4 and 21 are rejected under 35 U.S.C. § 103(a) as unpatentable over the U-Haul Reservation System, Francisco, and Budget.
3. Claims 31-32, and 34-41 are rejected under 35 U.S.C. § 103(a) as unpatentable over the U-Haul Reservation System and Official Notice.
4. Claim 33 is rejected under 35 U.S.C. § 103(a) as unpatentable over the U-Haul Reservation System and Budget.
5. Claims 42-43 and 45-52 are rejected under 35 U.S.C. § 103(a) as unpatentable over the U-Haul Reservation System and Official Notice.
6. Claim 44 is rejected under 35 U.S.C. § 103(a) as unpatentable over the U-Haul Reservation System and Budget.

THE ISSUES

At issue is whether the Appellant has shown that the Examiner erred in making the aforementioned rejections.

This issue turns on whether it would have been obvious to modify the prior art U-Haul Reservation System to have a computer-server operatively coupled to the Internet for communicating with one or more retail locations or remote browsers.

FINDINGS OF FACT

We find the following enumerated findings of fact (FF) are supported at least by a preponderance of the evidence:¹

FF1. The Response to Requirement for Information under 37 C.F.R. 1.105 states that in the prior art U-Haul Reservation system U-haul dealers used a point of sale system on personal computers that was not connected to the Internet (Paragraph 4).

FF2. The Response to Requirement for Information under 37 C.F.R. 1.105 states that the U-Haul Reservation system has sections for customer information, payment, and equipment. The system also generated reports and a printable rental agreement (Paragraph 4). The system was not used directly by customers, but by dealers who would input the information (Paragraph 5).

FF3. The Response to Requirement for Information under 37 C.F.R. 1.105 states that Budget and Ryder also used PC-based reservation/rental systems though it is not known if it was used by the public (Paragraph 7).

FF4. Francisco has disclosed a point of sale tax reporting and collection system (Abstract).

¹ See *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

FF5. Francisco discloses that system is for ensuring that substantially all retail transactions upon which sales tax is collected are reported and collected by the government authorities (Col. 1:12-20).

FF6. Francisco discloses in Fig. 6 that the tax collection system may be used for purchases made over the Internet (Heading).

PRINCIPLES OF LAW

“Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.’” *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 550 U.S. at 407 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”)

In *KSR*, the Supreme Court emphasized “the need for caution in granting a patent based on the combination of elements found in the prior art,” *id.* at 415-16, and discussed circumstances in which a patent might be determined to be obvious. In particular, the Supreme Court emphasized that “the principles laid down in *Graham* reaffirmed the ‘functional approach’ of *Hotchkiss*, 11 How. 248.” *KSR*, 550 U.S. at 415, (citing *Graham*, 383 U.S.

at 12), and reaffirmed principles based on its precedent that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *Id.* at 416. The Court also stated “[i]f a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability.” *Id.* at 417. The operative question in this “functional approach” is thus “whether the improvement is more than the predictable use of prior art elements according to their established functions.” *Id.*

The Court noted that “[t]o facilitate review, this analysis should be made explicit.” *Id.* at 418 (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”). However, “the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *Id.*

ANALYSIS

The Appellant argues that the rejection of claim 1 is improper because the cited art does not show “a computer-server operatively coupled to the internet for communicating with one or more retail locations” (Br. 7, Reply Br. 2).

In contrast, the Examiner has determined that Francisco teaches the ability to connect to the Internet and that the modification of the prior art U-

Haul system by Francisco would have been obvious to provide for the reporting of taxes (Ans. 13-14).

We agree with the Examiner. The prior art U-Haul System provided customer and rental information (FF2) and was used on personal computers but was not connected to the Internet (FF1). Francisco has shown a system used to ensure that sales taxes are reported and collected by governments (FF5) and in Fig. 6 discloses that the system can be used with the Internet (FF6). The use of the Internet is also considered to have been well known in the art at the time the invention was made as a way to increase ease of use for customers in making purchases remotely and to expand a customer base. The modification of the prior art U-Haul system with Francisco would have been an obvious, predictable combination of known elements to one of ordinary skill in the art at the time the invention was made as a way to better collect sales taxes and further also to increase ease of use for customers in making purchases remotely and to expand a customer base. For these reasons we consider a *prima facie* case of obviousness to be established with regards to claim 1. The Appellant has provided the same arguments for independent claims 2, 13, and 19 and their dependent claims we consider a *prima facie* case of obviousness to be established for these claims as well.

With regards to claims 31-52, the Appellants similarly argue that it would not have been obvious to modify to the U-Haul system to be connected to the Internet for communicating with the retail locations or with remote browsers (Br. 12-13). The Examiner has determined that such a modification would have been obvious again for the reasons listed above (Ans. 16-23).

We agree with the Examiner for reasons similar to those given above. The use of the Internet and remote browsers is considered to have been well known in the art at the time the invention was made as a way to increase ease of use for customers in making purchases remotely and to expand a customer base. The modification of the prior art U-Haul system to be connected by the Internet to retail locations and remote servers would have been an obvious, predictable combination of known elements to one of ordinary skill in the art at the time the invention was made as a way to increase ease of use for customers in making purchases remotely and to expand a customer base. For these reasons we consider a *prima facie* case of obviousness to be established with regards to claim 31-52 as well.

We recognize that evidence of secondary considerations, such as that presented by the Appellant must be considered in route to a determination of obviousness/nonobviousness under 35 U.S.C. § 103. Accordingly, we consider anew the issue of obviousness under 35 U.S.C. § 103, carefully evaluating and weighing both the evidence relied upon by the Examiner and the objective evidence of nonobviousness provided by the Appellant. “An applicant may rebut a *prima facie* case of obviousness by providing a ‘showing of facts supporting the opposite conclusion.’ Such a showing dissipates the *prima facie* holding and requires the examiner to ‘consider all of the evidence anew.’” *In re Kumar* 418 F.3d 1361, 1368 (Fed. Cir. 2005).

The Declaration filed under 35 U.S.C. § 132 by Gordon Michael Wiram has been fully considered, but is not deemed persuasive to show that the rejection of record is improper after evaluating and weighing all the evidence relied upon by the Examiner and provided by the Appellant. Note that the Declaration of Gordon Michael Wiram provides opinion, and not

factual evidence as to whether or not the references used in the rejection are properly combined (See the Declaration at paragraph 5). “While objective factual evidence going towards a § 103 determination is preferable to statements of opinion on the issue, the nature of the matter sought to be established, as well as the strength of the opposing evidence, must be taken into consideration in assessing the probative value of expert opinion.” *In re Oelrich*, 579 F.2d 86, 91 (CCPA 1978). Further, the Declaration addresses long felt need largely addressing only the need at the U-Haul organization, without sufficient objective evidence, other than opinion, of a need throughout the art of relevant competitors. The Declaration also attempts to show commercial success of the invention without showing any success in market share relative to the actual competitors in the industry beyond opinion.

In this case, the Declaration of Gordon Michael Wiram when viewed anew with all the evidence in the record does not provide sufficient evidence to reach a conclusion of nonobviousness. The modification of the prior art U-Haul system with and Francisco would have been an obvious, predictable combination of known elements to one of ordinary skill in the art at the time the invention as a way to better collect sales taxes and also further to increase ease of use for customers in making purchases remotely and to expand a customer base via the Internet. Similarly, the modification of the prior art U-Haul system to be connected by the Internet to retail locations and remote servers would have been an obvious, predictable combination of known elements to one of ordinary skill in the art at the time the invention was made as a way to increase ease of use for customers in making purchases remotely and to expand a customer base. For the above reasons,

we sustain the rejection of claims 1-29 and 31-52 under made under 35 U.S.C. § 103(a).

CONCLUSIONS OF LAW

We conclude that the Appellant has not shown that the Examiner erred in rejecting claims 1-3, 5-20 and 22-29 under 35 U.S.C. § 103(a) as unpatentable over the U-Haul Reservation System and Francisco.

We conclude that the Appellant has not shown that the Examiner erred in rejecting claims 4 and 21 under 35 U.S.C. § 103(a) as unpatentable over the U-Haul Reservation System, Francisco, and Budget.

We conclude that the Appellant has not shown that the Examiner erred in rejecting claims 31-32, and 34-41 under 35 U.S.C. § 103(a) as unpatentable over the U-Haul Reservation System and Official Notice.

We conclude that the Appellant has not shown that the Examiner erred in rejecting claims 33 under 35 U.S.C. § 103(a) as unpatentable over the U-Haul Reservation System and Budget.

We conclude that the Appellant has not shown that the Examiner erred in rejecting claims 42-43 and 45-52 under 35 U.S.C. § 103(a) as unpatentable over the U-Haul Reservation System and Official Notice.

We conclude that the Appellant has not shown that the Examiner erred in rejecting claims under 35 U.S.C. § 103(a) as unpatentable over the U-Haul Reservation System and Budget.

Appeal 2009-004814
Application 09/777,722

DECISION

The Examiner's rejection of claims 1-29 and 31-52 is sustained.

AFFIRMED

MP

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